



SERVICE CREDIT PURCHASE

State Form 34865 (R2/7-04)
Approved by State Board of Accounts, 2004

Indiana State Teachers' Retirement Fund

150 West Market Street, Suite 300
Indianapolis, IN 46204-2809
Telephone: (317) 232-3860 / (888) 286-3544
Home page: <http://www.in.gov/trf>

(PRIVACY NOTICE)

Your Social Security number is being requested by this agency pursuant to the requirements of IRS Code 3405. This disclosure is mandatory and this form will not be processed without this information.

First Name	Middle Initial	Last Name	TRF Account Number
Street Address (number, street, or rural route)			Social Security Number
City	State	Zip Code	Telephone Number ()

PART I: TYPE OF SERVICE AND RESTRICTIONS

Active members may purchase credit for any of the following types of service if the listed requirements are satisfied. Please indicate the type of service you wish to purchase.

_____ Out-of-State Service. A member who served in another state in a comparable position which would be creditable service if performed in Indiana, is entitled to purchase credit for such service, provided the member (i) has at least one year of ISTRF creditable service; (ii) makes the required contribution (calculated by the ISTRF actuary) before the member retires; (iii) receives verification from ISTRF that the service is valid; and (iv) secures verification for ISTRF that those years are not used in any state or federal retirement system. Indiana law requires a member to have at least 10 years of in-state teaching service before the purchased out-of-state years can be claimed. This means that although you may purchase the out-of-state service before you have ten (10) years of in-state teaching service, the purchased service may not be used in calculating your benefits until the 10-year requirement is met. It is usually in the member's best interest to purchase credit as soon as possible, however, because the price can increase dramatically each year.

_____ Private School Service. A member who has service in Indiana in an accredited private school is entitled to purchase that service, provided the member (i) has at least 1 year of ISTRF creditable service before making the purchase, (ii) makes the required contribution (calculated by the ISTRF actuary) before the member retires; (iii) receives verification for ISTRF from the private school that the service occurred.

_____ Substitute Teaching Service. A member who was previously a substitute teacher in Indiana may purchase credit for that service if the member: (i) has at least one year of ISTRF creditable service; (ii) makes the required contribution (calculated by the ISTRF) before the member retires; (iii) secures verification for ISTRF that the service occurred; and (iv) was not covered by ISTRF when he/she was a substitute.

Military Service Credit. A member who served on active duty for at least six (6) months in the armed services of the United States which include: United States Army, Navy, Air Force, Marine Corps, Coast Guard are eligible to purchase up to two (2) years of prior military service.

This service may not be used in claiming a retirement or disability benefit until payment in full has been made and you have accumulated ten (10) years of service, not including any purchased military or out-of-state service.

One for Five Service Credit. This new option is available to current members who have ten years of TRF or PERF service. Eligible members may purchase one year of service credit for each five years of service credit that the member has completed. **NOTE: MAY NOT BE PURCHASED WITH TRUSTEE-TO-TRUSTEE TRANSFER DESCRIBED IN PART IIB (2).**

PART II: MAKING A CONTRIBUTION TO PURCHASE SERVICE CREDIT

A member who is eligible to purchase credit for service may do so by delivering to ISTRF: (i) a cash contribution, subject to the limitations discussed in Part IIA; (ii) a qualifying rollover contribution, as discussed in Part IIB; (iii) a trustee-to-trustee transfer from a 457 or 403(b) plan as discussed in Part IIB; (iv) a member (indirect) rollover, as discussed in Part IIC; or (iv) a combination of the foregoing.

YOU MUST COMPLETE THOSE PORTIONS OF PART II THAT CORRESPOND TO THE METHOD OR METHODS OF PAYMENT YOU ARE USING TO PURCHASE THE REQUESTED SERVICE.

PART IIA: MAKING A CASH CONTRIBUTION TO PURCHASE SERVICE CREDIT

Section 415 of the Internal Revenue Code limits the amount of contributions that a member of a qualified retirement plan can make to the plan for any given year. However, trustee-to-trustee transfers and qualifying rollover contributions are exempt from these limits. ISTRF is a tax-qualified retirement plan, and it is bound to follow these federal law requirements. If a member contributes an amount in excess of the limit imposed under Internal Revenue Code Section 415, these excess contributions jeopardize the member's tax benefits. The table provided below enables you to calculate the maximum amount you may contribute in cash to purchase service credit under ISTRF without violating the limitations under Internal Revenue Code Section 415.

Using your projected gross compensation amount for the current calendar year, please complete the calculations shown in the following block. If you are purchasing service credit by making a cash contribution, please return this completed form with a personal check made payable to the Indiana State Teachers' Retirement Fund for the appropriate amount for the year(s) of service credit you desire to purchase. The aggregate amount paid for the service credit you purchase cannot exceed the number shown on Line 6 of the chart below.

415 LIMITATION CALCULATION APPLICABLE TO CASH CONTRIBUTIONS (Do not complete this section if purchasing service with a rollover contribution)		
1. Projected Gross Compensation for calendar year	1	
2. Maximum Limit under federal tax law (\$41,000 for July 1, 2004-June 30, 2005).....	2	\$41,000
3A. Multiply the amount on Line 1 by 3% if your contribution is <u>not</u> picked-up by your School corporation. If it is picked-up, enter -0-	3A	
3B. Total of voluntary post-tax contributions made to ISTRF, if any (made July 1, 2004-June 30, 2005)	3B	
3C. TOTAL 3A + 3B	3C	
4. Subtract the amount on Line 3C from the amount on Line 2	4	
5. If any other service credit purchases in this calendar year, enter the amount contributed or paid here (do not include the amount of any amounts paid by rollover contribution or trustee-to-trustee transfer).....	5	
6. Code Section 415 Limit – Subtract the amount on Line 5 from the amount on Line 4...	6	

The amount on Line 6 estimates the maximum amount of money a member may directly contribute in cash to the Indiana State Teachers' Retirement Fund for the calendar year to purchase service credit. If the amount on Line 6 is not large enough to allow you to purchase all the credit you want this year, you should contact ISTRF to see if certain other exceptions in the federal tax law from the Code Section 415 limit for service purchases could permit you to purchase this service. If none of these exceptions apply, you might consider (i) making a partial purchase; or (ii) paying for the service by making a trustee-to-trustee transfer or rollover contribution.

CASH CONTRIBUTION PAYMENT: MEMBER CERTIFICATION (PART IIA, continued)

Make check payable to Indiana State Teachers' Retirement Fund.

Total Amount \$_____ of After-Tax Funds

I have read and understand the information contained in this form, and certify that the information is true and accurate. I understand that ISTRF will review the purchase of service to determine whether it qualifies with state and federal laws, and that ISTRF has the right to deny the purchase if it is determined that the purchase does not meet all state and federal law requirements. I further certify that I have not, and will not, use any of the years of service credit I am purchasing with ISTRF in any other state or federal retirement system. I acknowledge that any false or inaccurate information I provided on this form will jeopardize the tax treatment of my benefits and could violate certain provisions of the Internal Revenue Code.

Signature of Member	Print Name	Date
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**PART IIB: MAKING A ROLLOVER OR TRUSTEE-TO-TRUSTEE TRANSFER TO PURCHASE
SERVICE CREDIT**

Any rollover contribution made to ISTRF must be a qualifying rollover contribution. A rollover contribution is a qualifying rollover contribution if it (i) does not exceed the amount required to purchase the service credit, and (ii) consists solely of cash received as a lump sum distribution from a former employer's qualified plan and earnings on the distribution, whether kept in the plan or in an IRA. Prior to purchasing service credit, contact ISTRF's Member Service Division with any questions concerning whether contribution satisfies the requirements for qualification. Federal tax law requires that ISTRF adhere to these requirements for rollover contributions. Therefore, ISTRF's Board of Trustees requires a member to provide evidence that the distribution that is being rolled over qualifies as an eligible rollover distribution or trustee-to-trustee transfer.

The trustee, custodian or plan administrator of the retirement plan from which a member is to receive a rollover distribution should provide forms to make a direct rollover to ISTRF. In addition, a member may want to tell the prior plan or IRA that the rollover check must be made payable to the Indiana State Teachers' Retirement Fund, for benefit of [member's name]. The member and/or the member's prior plan or IRA trustee must deliver the check, this form and the original of the invoice to ISTRF.

If purchasing service credit by making a qualifying rollover contribution or trustee-to-trustee transfer, please complete the rest of this form for the service you desire to purchase, and have a representative of the source of the rollover or transfer complete the applicable sections and return this to the Indiana State Teachers' Retirement Fund.

PART IIB (1). Direct Rollover Payments from a Retirement Plan of a Former Employer: This section applies to a direct rollover of an eligible rollover distribution that is being paid to ISTRF from a qualified retirement plan or IRA. This section should be completed by a representative of the plan or financial institution making the rollover to ISTRF.

The _____ (plan or IRA) hereby makes a rollover to ISTRF tax-deferred or pre-tax funds on behalf of Member identified in Section I, in the amount of \$ _____. **(NOTE: ISTRF MAY NOT ACCEPT AFTER-TAX FUNDS BY DIRECT ROLLOVER).**

I certify that the _____ (Name of Program or Retirement Plan) satisfies the requirements of the following (check one):

- ☐ Code Section 401(a) or 403(a) Qualified Plan
- ☐ Code Section 403(b) Plan
- ☐ Code Section 457(b) Governmental Deferred Compensation Plan
- ☐ Individual Retirement Account/Annuity under Code Section 408

(Name of Financial Institution or Plan Administrator)

(Street Address or PO Box)

(City)

(State)

(Zip Code)

Signature of Authorized Representative

Print Name

Phone # for Daytime

Date

PART IIB (2). Trustee-to-Trustee Transfer from 403(b) or Governmental 457 plan: This section applies to a trustee-to-trustee transfer the member elects to make from a 403(b) or governmental 457 plan. **NOTE: THIS PAYMENT METHOD MAY NOT BE USED TO PURCHASE 1 FOR 5 SERVICE CREDIT.** These transfers may be made while the member is an active member of the transferring plan, and may include after-tax funds. This section should be completed by a representative of the plan or financial institution.

The _____ (403(b) or governmental 457(b) plan) hereby makes a trustee-to-trustee transfer to ISTRF of the following funds on behalf of the ISTRF Member identified above. The total transfer is for \$ _____, which consists of \$ _____ in Pre-Tax Funds and \$ _____ in Post-Tax Funds.

I certify that the _____ (Name of Program or Retirement Plan) satisfies the requirements of the following (check one):

☐ Code Section 403(b) Plan

☐ Code Section 457(b) Governmental Deferred Compensation Plan

(Name of Financial Institution or Plan Administrator)

(Street Address or PO Box)

(City)

(State)

(Zip Code)

Signature of Authorized Representative

Print Name

Phone # for Daytime

Date

PART IIB (3). Member Indirect Rollovers

Total amount \$ _____ Pre-Tax Funds (**ISTRF MAY NOT ACCEPT AFTER-TAX FUNDS BY INDIRECT ROLLOVER**).

I, _____, the Member, certify that the funds described in Section C were distributed to me from a (check one):

☐ Code Section 401(a) Qualified Plan, ☐ 403(a) Qualified Plan,

☐ 403(b) Plan, ☐ 457(b) Governmental Plan, ☐ 408 Individual Retirement Account/Annuity,

that no more than 60 days have elapsed since the distribution, and that the distribution was an eligible rollover distribution subject to 20% withholding.

Signature of Member

Print Name

Date

**ROLLOVER/ TRUSTEE-TO-TRUSTEE TRANSFER MEMBER CERTIFICATION (Part IIB,
continued)**

I hereby represent that the above information is correct. I acknowledge that I have read and understand the rest of this form and that I will be liable for taxes and penalties due, if any, on the amount of any non-qualifying rollover contribution I make to the Indiana State Teachers' Retirement Fund. Furthermore, I release the administrator and trustees of the Indiana State Teachers' Retirement Fund from all liability related to the transfer or payment of any non-qualifying rollover contribution made by me or on my behalf. I further certify that I have not, and will not, use any of the years of service credit I am purchasing with ISTRF in any other state or federal retirement system. I acknowledge that any false or inaccurate information I provided on this form will jeopardize the tax treatment of my benefits and could violate certain provisions of the Internal Revenue Code.

SIGN AND
DATE HERE

(Your signature)

(Date)

Please return to:
PURCHASE SERVICE CREDIT
Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, Indiana 46204-2809